

109TH CONGRESS
1ST SESSION

H. R. 4388

AN ACT

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

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To amend the Internal Revenue Code of 1986 to extend
certain expiring provisions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE, ETC.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Tax Revision Act of 2005”.

4 (b) AMENDMENT OF 1986 CODE.—Except as other-
5 wise expressly provided, whenever in this Act an amend-
6 ment or repeal is expressed in terms of an amendment
7 to, or repeal of, a section or other provision, the reference
8 shall be considered to be made to a section or other provi-
9 sion of the Internal Revenue Code of 1986.

10 (c) TABLE OF CONTENTS.—The table of contents for
11 this Act is as follows:

Sec. 1. Short title, etc.

Sec. 2. Election to include combat pay as earned income for purposes of earned
income credit.

Sec. 3. Cover over of tax on distilled spirits.

Sec. 4. Authority for undercover operations.

Sec. 5. Disclosures of certain tax return information.

Sec. 6. Deduction allowable with respect to income attributable to domestic pro-
duction activities in Puerto Rico.

Sec. 7. Technical corrections to regional value-content methods for rules of ori-
gin under Public Law 109–53.

12 **SEC. 2. ELECTION TO INCLUDE COMBAT PAY AS EARNED**
13 **INCOME FOR PURPOSES OF EARNED INCOME**
14 **CREDIT.**

15 (a) IN GENERAL.—Subclause (II) of section
16 32(c)(2)(B)(vi) is amended by striking “January 1, 2006”
17 and inserting “January 1, 2007”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall apply to taxable years beginning after
20 December 31, 2005.

1 **SEC. 3. COVER OVER OF TAX ON DISTILLED SPIRITS.**

2 (a) IN GENERAL.—Paragraph (1) of section 7652(f)
3 (relating to limitation on cover over of tax on distilled spir-
4 its) is amended by striking “January 1, 2006” and insert-
5 ing “January 1, 2007”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 subsection (a) shall apply to articles brought into the
8 United States after December 31, 2005.

9 **SEC. 4. AUTHORITY FOR UNDERCOVER OPERATIONS.**

10 Paragraph (6) of section 7608(c) (relating to applica-
11 tion of section) is amended by striking “January 1, 2006”
12 both places is appears and inserting “January 1, 2007”.

13 **SEC. 5. DISCLOSURES OF CERTAIN TAX RETURN INFORMA-**
14 **TION.**

15 (a) DISCLOSURES TO FACILITATE COMBINED EM-
16 PLOYMENT TAX REPORTING.—

17 (1) IN GENERAL.—Subparagraph (B) of section
18 6103(d)(5) (relating to termination) is amended by
19 striking “December 31, 2005” and inserting “De-
20 cember 31, 2006”.

21 (2) EFFECTIVE DATE.—The amendment made
22 by paragraph (1) shall apply to disclosures after De-
23 cember 31, 2005.

24 (b) DISCLOSURES RELATING TO TERRORIST ACTIVI-
25 TIES.—

1 (1) IN GENERAL.—Clause (iv) of section
 2 6103(i)(3)(C) and subparagraph (E) of section
 3 6103(i)(7) are each amended by striking “December
 4 31, 2005” and inserting “December 31, 2006”.

5 (2) EFFECTIVE DATE.—The amendments made
 6 by paragraph (1) shall apply to disclosures after De-
 7 cember 31, 2005.

8 (c) DISCLOSURES RELATING TO STUDENT LOANS.—

9 (1) IN GENERAL.—Subparagraph (D) of section
 10 6103(l)(13) (relating to termination) is amended by
 11 striking “December 31, 2005” and inserting “De-
 12 cember 31, 2006”.

13 (2) EFFECTIVE DATE.—The amendment made
 14 by paragraph (1) shall apply to requests made after
 15 December 31, 2005.

16 **SEC. 6. DEDUCTION ALLOWABLE WITH RESPECT TO IN-**
 17 **COME ATTRIBUTABLE TO DOMESTIC PRO-**
 18 **DUCTION ACTIVITIES IN PUERTO RICO.**

19 (a) IN GENERAL.—Subsection (d) of section 199 (re-
 20 lating to definitions and special rules) is amended by re-
 21 designating paragraph (7) as paragraph (8) and by insert-
 22 ing after paragraph (6) the following new paragraph:

23 “(7) TREATMENT OF ACTIVITIES IN PUERTO
 24 RICO.—

1 “(A) IN GENERAL.—In the case of any
 2 taxpayer with gross receipts for any taxable
 3 year from sources within the Commonwealth of
 4 Puerto Rico, if all of such receipts are taxable
 5 under section 1 or 11 for such taxable year,
 6 then for purposes of determining the domestic
 7 production gross receipts of such taxpayer for
 8 such taxable year under subsection (c)(4), the
 9 term ‘United States’ shall include the Common-
 10 wealth of Puerto Rico.

11 “(B) TERMINATION.—Subparagraph (A)
 12 shall not apply to any taxable year beginning
 13 after December 31, 2006.”.

14 (b) EFFECTIVE DATE.—The amendments made by
 15 subsection (a) shall apply to taxable years beginning after
 16 December 31, 2005.

17 **SEC. 7. TECHNICAL CORRECTIONS TO REGIONAL VALUE-**
 18 **CONTENT METHODS FOR RULES OF ORIGIN**
 19 **UNDER PUBLIC LAW 109-53.**

20 Section 203(c) of the Dominican Republic–Central
 21 America–United States Free Trade Agreement Implemen-
 22 tation Act (Public Law 109-53; 19 U.S.C. 4033(c)) is
 23 amended as follows:

1 (1) In paragraph (2)(A), by striking all that
 2 follows “the following build-down method:” and in-
 3 serting the following:

$$\text{“RVC} = \frac{\text{AV-VNM}}{\text{AV}} \times 100\text{”}.$$

4 (2) In paragraph (3)(A), by striking all that
 5 follows “the following build-up method:” and insert-
 6 ing the following:

$$\text{“RVC} = \frac{\text{VOM}}{\text{AV}} \times 100\text{”}.$$

7 (3) In paragraph (4)(A), by striking all that
 8 follows “the following net cost method:” and insert-
 9 ing the following:

$$\text{“RVC} = \frac{\text{NC-VNM}}{\text{NC}} \times 100\text{”}.$$

Passed the House of Representatives December 7,
 2005.

Attest:

Clerk.